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CENTRAL INTELLIGENCE AGENCY Office of Current Intelligence 20 June 1965

INTELLIGENCE MEMORANDUM

Situation in the Dominican Republic (Report #282 - As of 7:00 am EDT)

As the crisis enters its ninth week there is cautious optimism as Dominican attention is focused on the OAS proposals for a solution.

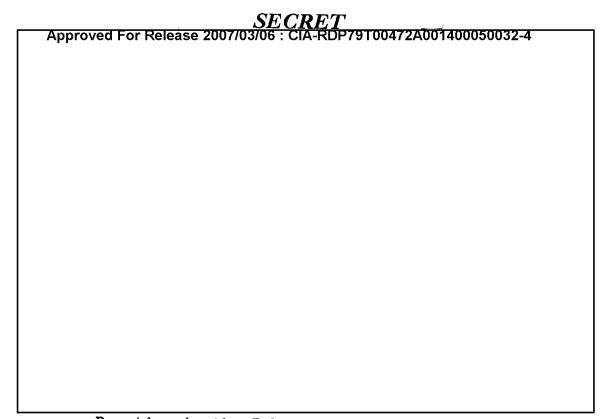
Both the rebel and the loyalist governments seem to recognize that the popular mood is such that an outright rejection of the proposals would be inadvisable. Both apparently hope, however, to salvage as much as possible through negotiation with the OAS committee on some of the points not spelled out in detail in the proposals. Neither side is expected to be prepared to respond officially until tomorrow or Tuesday.

In the rebel area the general population, including some who have been fighting on behalf of the rebel cause, are in favor of accepting the OAS proposals.

State Dept. review completed

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Reaction in the Imbert government to the OAS proposals has been generally favorable and the loyalist military leaders seem cautiously receptive to the plan and willing to support it. However, there continues to be much sentiment in these circles for a much more definitive victory over the rebels. There is also the feeling that the Imbert government is itself an adequate provisional government and that it should not be replaced by an OAS-sponsored one.

The business and civic leaders of Santiago continue to feel strongly that the election schedule proposed by the OAS calls for elections much too soon. Instead of the six to nine months called for by the OAS, the Santiago Group wants elections deferred for at least two years. Hector Garcia Godoy, the respected former diplomat who is being suggested by the Santiago Group and others as provisional president, feels strongly that elections should be deferred.

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Joaquin Balaguer's Reformist Party (PR) is the only political group thus far to express unqualified approval of the OAS proposals. The party

leader now in the country, Francisco Augusto Lora, told a US Government official on Friday that "no intelligent Dominican would think of changing even a comma" of the OAS documents. He said he had sent copies to Balaguer in New York with the recommendation that the party accept them without The PR attitude is, of course, based on confidence that Balaguer would have no difficulty Ambassador Bennett in winning an early election. points out, however, that it is difficult to know how Balaguer's popular support has fared through the violence of the past eight weeks. Many of the "little people" who form the great base of Balaguer's support were strong supporters of the insurrection.

Among the people in general, there is probably a feeling of gratitude to the OAS for making a definitive proposal and a strong desire that the country return to a normal life. Among the moderates and independents who have commented to Embassy officers, reaction to the OAS proposals has been quite favorable. The most frequently mentioned criticism, however, has been the failure of the OAS to propose any reform of the Dominican armed forces. Ambassador Bennett comments that military reform is a need deeply felt by most Dominicans and that this should not be underestimated.

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The most violent denunciation of the OAS proposals being heard in the Dominican Republic is coming over the air waves from Havana. In a broadcast yesterday Havana Radio declared that "the hypocritical offer made by the OAS conceals the real intention of the OAS,...to disarm the Dominican people who have been fighting for their liberation."

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